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Vermont Association of Area Agencies on Aging

Helping Vermonters Age with Independence and Dignity

Memorandum

To: Joint Fiscal Committee

From: Vermont Association of Area Agencies on Aging

Date: August 14, 2009

Re: Proposal - FY 2010 Budget Rescissions

Thank you for the opportunity to comment on the proposed budget rescissions made public earlier this month. While we appreciate the extraordinary budget challenges that the State now confronts, as advocates for the elderly we are particularly concerned about two proposed rescissions that would touch the lives of older adults and their families. Our concerns are outlined below.

Choices for Care: We were dismayed to learn that this important long term care program ended the year with a surplus of nearly \$750,000 at a time when there has been a waiting list for entry into the program; and many program participants have experienced reductions in the amount of assistance they receive. As you know, these state funds leverage federal monies and the combined loss to the program would be approximately \$2.4 million dollars if the proposed recommendations are enacted.

We are aware of many examples in recent months of individuals who have simply had to move to a nursing home as a result of cutbacks made to the program earlier this year because the amount of care they need is no longer available in a timely fashion. As you know the cost of long term care for those living in a nursing home is far greater to state government than for those living in the community, and, when totaled, represent an additional and significant public expense. The result of funding reductions made to the Choice for Care program earlier this year has, in all likelihood, resulted in additional cost to state government rather than savings. The funding cuts now being considered would have a similar effect.

While it is no doubt tempting to consider the use of these funds to fill the budget deficit, we believe it is imprudent to use them for that purpose. First, as noted above, the cost savings are illusory. Second, doing so would violate recent changes to the legislative language authorizing the Choice for Care program that require so called "savings" to be reinvested in the program itself, rather than to be redirected for other purposes. Lastly, in our view, now is not the time to ask the vulnerable individuals and families served by this program to shoulder additional burdens. They have already sacrificed much and their well-being is truly at stake.

Food Stamp Outreach: We were also disappointed to learn that the additional funds (\$200,000) appropriated to increase the percentage of older adults participating in the 3 Squares VT (food stamp program) are targeted for elimination. We question the assertion that this effort is no longer needed. DCF officials have made no mention of their change in thinking during our discussions with them about this important program; and we are unaware of any new evidence to support the

stated conclusion that strong action is no longer needed to encourage more seniors to take advantage of the food stamp program.

In fact, the most recent evidence available suggest that only 1/3 of eligible seniors are now enrolled in the program, resulting in a loss of nearly \$2.8 million in federal benefits that would provide both food security for these individuals and a much needed boost for the state's retail sector. Irrespective of who administers the additional funding for this purpose, it is a sound investment that will leverage significant federal resources and stabilize the health and well-being of elderly Vermonters.

Thank you again your past support and interest in our work. Please let us know if we can be of assistance in your review of the rescission options.

Cc: Lt. Governor Brian Dubie
Representative Ann Pugh, Chair, House Human Service Committee
Senator Douglas Racine, Chair, Senate Health and Welfare Committee
James Reardon, Commissioner, Department of Finance and Management
Robert Hofmann, Secretary, Agency of Human Services
Patrick Flood, Deputy Secretary, Agency of Human Services
Scott Johnson, Field Services Director, Agency of Human Services
Steve Dale, Commissioner, Department of Children and Families
Joan Senecal, Commissioner, Department of Disabilities, Aging & Independent Living